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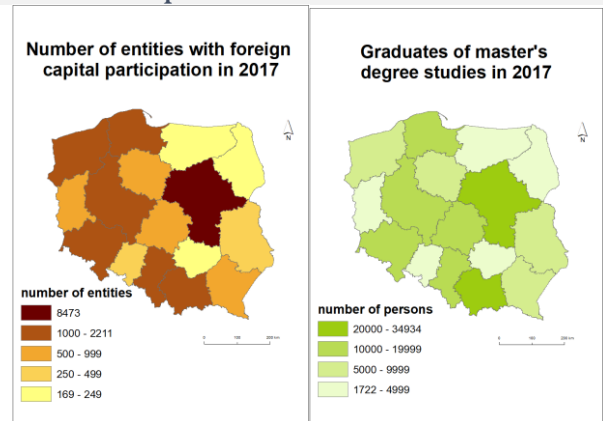
Economy

- PlöE estimates the value of e-commerce at PLN 63 billion in 2020.** The forecasted growth is influenced, among others, by the development of automation and new information and communication technologies.
- MoF: more than 2.2 thousand of online cash registers have already been sourced.** The first entrepreneurs will be obliged to apply them from January 1, 2020. They allow real-time transmission of transactional data to the Central Repository.
- BNP Paribas: less strawberries on the domestic market.** The consequence may be an increase in their prices. Total production among European countries is estimated at 1.23 million tonnes.
- Central Statistical Office: in 2018 the average disposable income per capita was PLN 1693 / month.** This means an increase of 4.3 percent yoy. Lowest income was observed in pensioners' households.
- Social Insurance Institution: 9.2 million redundancies issued by doctors in the first four months of 2019.** The average time of dismissal is 11 days, but most often it is about 5 days.
- Costs are the biggest barrier to the development of Polish companies.** According to Grant Thornton research, most enterprises (68%) consider labor costs as a "strong" and "very strong" barrier to development. Over 60 percent of respondents also mentioned bureaucracy and energy prices.
- MoJ: soon a new law on court employees and prosecutors' offices.** The project assumes, among others introduction of a metropolitan supplement, as well as a multiplier pay system.
- MoI: electric scooters will be classified as vehicles.** Currently, there are no regulations in this area, hence users use sidewalks. It may cause a threat to other people on them.

Financial institutions

- The Financial Supervisory Commission unanimously refused to allow** the merger of Idea Bank with Getin Noble Bank, controlled by Leszek Czarnecki. The Commission considered that the merged bank would not have met the capital requirements.

Economic Maps



Financial Markets

- Merger of Bank Millenium and Euro Bank.** In September a legal merger is planned, and in November an operational merger. It is possible thanks to obtaining the consent of KNF and UOKiK. The value of the purchased shares is PLN 1.83 billion and amounts to 99.8% of all Euro Bank shares.
- Decreased involvement of foreign investors.** According to the Ministry of Finance's statement in April, the involvement of foreign investors in Polish bonds decreased by PLN 2.3 billion to PLN 173.5 billion.
- A curator at Plus Bank.** The superintendent was introduced by the Financial Supervision Commission as of 31/05/2019. The purpose of establishing a probation officer is to improve the financial situation of the bank and the effective flow of information between the bank and the PFSA.
- Polish GDP growth.** According to preliminary data provided by the Central Statistical Office, GDP in the first quarter was 4.7% higher than a year before, and also by 1.5% higher than in the fourth quarter of 2018. This result is better than the forecasts reported two weeks ago.
- Real estate loans.** In April, the value of property loans granted amounted to PLN 4.954 million. This value is higher than in previous months, which in February and March amounted to PLN 5.872 million and PLN 6.653 million, respectively.
- Euro weaker to zloty.** It can strengthen in the medium term. The zloty may depreciate against the euro in the short and medium term due to the increased risk aversion of investors.

- **The price of copper on LME is growing.** Copper at LME in London is getting more expensive in response to expectations that the Chinese government will stimulate the weakening economy. In 3-month deliveries, metal is valued at 5,870.00 USD per tonne, after a rise of quotations by 0.3%.

- **Oil on the fuel market in the US nearly USD 56 / b.** Oil in the US is valued at nearly \$ 56 per barrel. Raw gas prices are down more than 1 percent after the US president decided to introduce duties on goods from Mexico.

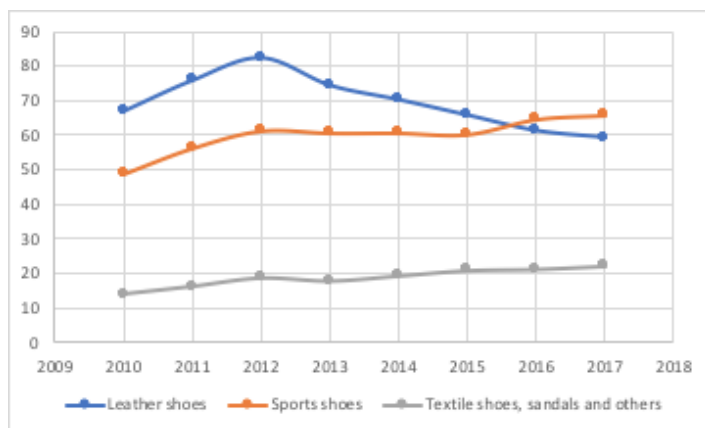
Company of the week

Tauron Polska Energia SA is one of the largest energy companies in Poland, covering 18% of the country's area. The company is the national leader in electricity distribution and second in terms of production. The Group's core business areas forming the energy value chain are: hard coal mining, generation, distribution and sale of electricity and heat. Tauron Polska Energia SA was established in 2006

and its debut on the Warsaw Stock Exchange took place 4 years later. Sales revenue 3q 2018 4.476 billion, net profit 3q 2018 286 million. Price / Book value ratios 3q 2018 (P / BV): 0.21, price / sales revenues 3q 2018 (P / S): 0.22, Price / Operating profit 3q 2018 (P / E): 4.09, return on assets ROA 2.92%, return on equity ROE 5.60%.

Footwear market in Poland - average selling price of a pair of footwear (EUR)

The leather segment has the largest market share, with sales in 2017 in Poland of EUR 1.4 billion. The sales of footwear in 2017 in 88% took place via stationary stores. It is anticipated that by 2021 this share will decrease to 85%, and 15% of footwear sales will take place via online stores. In 2017, the average Pole bought an average of EUR 86.87. An increase of this amount is forecasted to EUR 101,91 in 2021. In 2016, the unit selling price of sports footwear in Poland exceeded the selling price of leather footwear. In the following years, this trend will strengthen. In 2017, the average Pole spent EUR 59.3 on a pair of leather shoes, and EUR 65.8 on a pair of sports footwear.



Source: The Footwear Industry. The growing importance of Polish producers in the world. Department of Strategy and international analyzes.

Statistical data

Macroeconomic indicators		Date
GDP y/y	4,9%	12.2018
CPI	1,75%	02.2019
Unemployment rate	6,2%	01.2019
Salary av. enterprises	4 580 zł	09.2018
Industrial production	6,10%	01.2019
NBP reference rate	1,5%	12.2018

Rates (%)		1W Δ bps
WIBOR 3M	1,72	0,00
EURIBOR 3M	-0,376	0,00
LIBOR CHF 3M	-0,71	0,00
EUR/PLN	4,28	-0,19
USD/PLN	3,83	-0,56
CHF/PLN	3,83	0,19
EUR/USD	1,12	0,36

Markets (points)		1W Δ %
WIG	57 910	0,60
WIG 20	2 239	0,80
DAX	11 727	-1,47
FTSE	7 162	0,78
DJI	24 850	-1,27
SP500	2 754	-1,24